

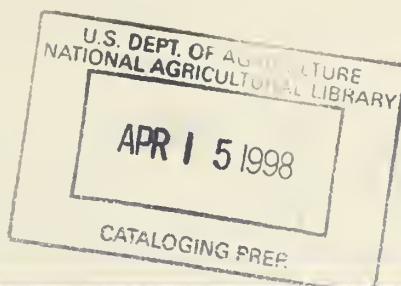
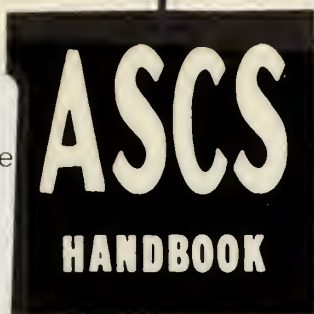
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DRYING EQUIPMENT LOANS

FOR STATE AND COUNTY OFFICES

SHORT REFERENCE

6-GR

(REVISION 2)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE
Washington, D.C.

7. 1 971

**United States
Department of
Agriculture**



National Agricultural Library

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service
Washington, D. C. 20250

DRYING EQUIPMENT LOANS (6-GR)
(REVISION 2)

AMENDMENT - 1

APPROVED BY: Acting Deputy Administrator, State and County Operations

Char. M. Cox

1 REASONS FOR REVISION

- A To reorganize the handbook to facilitate its use.
- B To provide specific instructions as to actions necessary in the various phases of the administration of the program.
- C To incorporate changes published in notices listed in paragraph 4.

2 CHANGES

- A Parts 1 and 2. Implementation of the program regulations published in the Federal Register. (29 F.R. 41)
- B Functions. Instructions and guidelines to instructions pertaining to actions required in:
 - 1 Receiving and Processing Loan Applications, Part 3.
 - 2 Disbursing Loans, Part 4.
 - 3 Collecting and Servicing Loans, Part 5.
 - 4 Custody and Reconciliation, Part 6.

3 FORMS AND EXHIBITS

- A Uniform Commercial Code. Forms requiring filing or recording are being redesigned for use in States that have adopted the Uniform Commercial Code and States that have not adopted such code.

- B Reference to Lending Agencies. Language relating to lending agencies has been deleted from all program forms. (Exhibits 5 through 15)
- C Forms Constituting Exhibits 5 through 12. These exhibits will follow by amendment to the handbook. Use existing forms in the interim.

4 SUPERSEDED MATERIAL

Handbook 6-GR, (Rev. 1).
Notice FI-507.
Notice FI-529.
Notice GR-916.

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2	Drying Equipment Loan Application Check List	2
3	Memorandum of Loan Application Approval	2

	<u>No. Pages</u>
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PART 1 PURPOSE

1 MAKING LOANS

- A General. Loans will be made only to eligible borrowers for the purchase and installation of eligible drying equipment needed for the conditioning of price support commodities produced by the applicant. Loans shall be made by Commodity Credit Corporation (CCC) in accordance with this handbook. Definitions of the terms "eligible borrower," "eligible equipment," and "price support commodities" are included in paragraph 2.
- B Area. Loans are available in any State of the United States.

2 DEFINITIONS

- A Eligible Borrower. Any person who as tenant, share-landlord, or landowner:
- 1 Produces one or more price support commodities on the farm(s) for which the loan application is made.
 - 2 Needs drying equipment for the conditioning of such price support commodities.
 - 3 Has adequate storage facilities, or will obtain adequate storage facilities at the time the drying equipment is purchased.
 - 4 Is or will be, at the time the application is being considered, eligible for price support on all price support commodities for the current crop year.
(See subparagraph 5 A and exception in subparagraph 5 B.)
- B Person. An individual or individuals, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State or any agency thereof (subparagraph 21 B 2).

- 1 Two or more "eligible borrowers" (individuals) may join together to obtain a loan to purchase and install drying equipment on one of the applicant's farms.
- 2 Such equipment shall be for joint use by all applicants.

C Price Support Commodities. Corn, oats, barley, grain sorghums, wheat, rye, soybeans, flaxseed, rice, dry edible beans, and peanuts.

D Eligible Equipment. May include only new drying equipment of one of the types listed below which will be used in connection with the conditioning of price support commodities produced by the applicant. (See also paragraph 6.)

- 1 Mobile drying equipment.
- 2 Stationary drying equipment which may be of either movable or immovable types.
- 3 The term "mobile drying equipment" means drying equipment which is designed to be moved readily from site to site and is not attached so as to become a fixture or part of any other facility or real property. Such equipment:
 - a May include ~~dryers~~ with wagons or trailers as integral parts of such equipment.
 - b Shall not include ~~augers~~ or other types of commodity handling equipment.
 - c Shall not include meters or other types of commodity testing equipment.
- 4 The term "stationary drying equipment" may include permanently affixed equipment such as:
 - a Augers or other types of commodity handling equipment.
 - b Meters or other types of commodity testing equipment.

5 The term "movable drying equipment" means stationary drying equipment which can be dismantled, moved, and reconstructed on another site without demolishing it.

6 The term "immovable drying equipment" means all stationary drying equipment not included in the above definition of "movable drying equipment."

E Regional Attorney. The Regional Attorney or the Attorney in Charge for the geographical area of responsibility designated in Handbook 14-PM.

3 ADMINISTRATION OF THE PROGRAM

A General. The program is administered by the Farmer Programs Division, ASCS, under the general supervision and direction of the Deputy Administrator, State and County Operations, ASCS (DASCO). In the field it is carried out by the ASC State and county committees. "County committee" means the county committee authorized to service the agricultural programs with respect to the farm(s) to which a loan application relates.

B Application of Instructions. State and county committees or its employees shall not modify or waive any of the provisions of this handbook.

C Execution of Instruments. Employees of county committees may execute instruments only in accordance with delegations of authority published in 29 F.R. 2390.

D Reviewing Loan Application. Each county committee is responsible for obtaining review of each loan application received. Employees of the county committee shall supply loan applicants with required forms and documents. (See Part 3.)

E Approving Loan Applications. The county committee may approve loan applications, issue loan commitments, and disburse loans for amounts less than \$5,000 without prior approval of higher authority. Before approval by the county committee applications for loans of \$5,000 or more must be reviewed and approved by the higher authority outlined in paragraph 4.

- F Forms and Related Instructions. Show the State and county codes and the loan serial number in the spaces provided on each form used in connection with a loan. The same serial number shall appear on all forms applicable to the same loan. Use only one series of numbers. Identify loans for "immovable drying equipment" by the suffix "A."
- 1 Forms and related instructions furnished with this handbook shall be reviewed with the Regional Attorney so that where required to conform with State laws, appropriate modifications may be made.
- 2 When the Regional Attorney prescribes modifications of any form or related legal instructions, incorporate such modifications as a State amendment to the handbook.
- G Delegated Authority. No delegation herein to a State or county committee shall preclude the Executive Vice-President, CCC, or his designee, from determining any question arising under the program or from reversing or modifying any determination made by a State or county committee.

PART 2 ELIGIBILITY AND PROGRAM PROVISIONS

4 RESPONSIBILITY OF ASCS STATE AND WASHINGTON OFFICES

A Approval of Loan Applications When the Principal Loan Amount will be \$5,000 or More.

- 1 "Principal loan amount" means the total of the amounts of one or more new applications plus the outstanding balances of all prior drying equipment loans to the same applicant or in connection with the farm(s) to which the new application(s) relate.
- 2 All loan applications of \$5,000 or more shall be approved or disapproved by the Deputy Administrator, Management, ASCS (DAM). The State committee shall send such applications together with the recommendations of the State and county committees to the area director and include as a minimum the following information:
 - a If application is for "mobile" or "movable" drying equipment, a recommendation as to whether the loan should be secured by a lien on the real estate. Real estate liens must be first liens covering the equipment and the farm, or a large enough land area to permit access to the equipment and to constitute a salable unit.
 - b A current financial statement, signed by the applicant, and appropriate comments as to his credit rating and financial responsibility.
 - c Information concerning the applicant such as:
 - (1) His need for the proposed drying equipment.
 - (2) Number of years he has been farming in the community or in the county.
 - (3) Average annual acreage of price support commodities for the past five years.
 - (4) Average yield of each crop.

- d A drawing or plat of the proposed equipment site showing accessible publicly-maintained highways and adequate roads for ingress and egress.
- e A statement or invoice signed by the vendor of cost of the equipment.
- f Comments as to whether the proposed equipment would constitute a salable unit, if it became necessary to call the loan and dispose of the security.

B Legal Review of Loan Documents.

- 1 Before disbursing a loan, the county committee shall send loan documents (application, severance agreement, unsigned and undated note, chattel or real estate mortgage, subordination agreement, preliminary certificate of title, etc.) to the Regional Attorney for legal review in the following cases:
 - a For loans when the principal amount is \$5,000 or more.
 - b For assumption agreements amounting to \$5,000 or more.
 - c For any new or assumed loan when the county committee is uncertain with regard to the solution of legal problems relating thereto.
- 2 Land records shall be checked by an employee of the county committee before a loan application is referred for legal review. Make the check with county officials in charge of land records to ascertain the owner(s) of record and lienholders, if any. Include the results of the check in the memorandum of referral.
- 3 Legal review on title search in connection with either "mobile" or "movable" drying equipment, shall be limited to the reported results of the preliminary check unless such results disclose liens or clouds on the title which, in the opinion of the Regional Attorney, makes further research necessary.

- 4 Referral memorandums for legal review shall be addressed to the Regional Attorney and forwarded through the State office.

5 DETERMINATIONS OF ELIGIBILITY

- A Price Support Programs. While the loan application is being considered, it must appear to the county committee, from county office records and other pertinent available information, that the applicant is or will be eligible for price support for the current year in connection with all price support commodities produced by the applicant on the farm(s) to which the application relates. (Note exception in B below.)
- B Eligibility for Price Support. Eligibility for price support shall not be a condition of eligibility for a drying equipment loan where the proposed drying equipment is to be located in a feed grain deficit county in which existing storage capacity is not adequate.
- 1 The State committee shall determine feed grain deficit counties, with prior approval of the Deputy Administrator, State and County Operations, ASCS (DASCO).
- a Discuss contemplated determinations with the Area Director.
- b Apply this authority only to broad areas urgently in need of farm storage.
- c Submit requests for DASCO approval to the Area Director, outlining the:
- (1) General situation on production and consumption of grain and
- (2) Availability of storage in the State or area recommended.
- d Do not use production of wheat or other price support commodities in excess of the allotment or permitted acreage in determining the size of the facility needed or the eligibility for a loan.

- C Right to Call Loan. On applications filed subsequent to January 3, 1964, loans other than those covered by the proviso in B above may be called at any time during the term of the loan, if it is determined that the borrower is not eligible for price support in connection with such commodities. This right to call the loan is permissive, not mandatory, and shall be exercised only if failure of the borrower to be eligible is determined to be detrimental to the financial interests of CCC.

6 PROVISIONS FOR PROPOSED EQUIPMENT

To be eligible for a loan, proposed drying equipment shall conform to the definition in subparagraph 2 D and in addition shall meet all of the following applicable requirements:

- A The vendor from whom the equipment is to be purchased must be approved under a Supplier's Agreement, Form CCC-308, when the loan commitment is made by the county committee. (See paragraph 24.)
- B Unless approved by the Deputy Administrator, State and County Operations, ASCS, a loan shall not be approved or disbursed if the equipment has been purchased or installed before the date of application for the loan.
- 1 Send requests for such approvals to the Area Director supported by the facts and the recommendations of the State and county committees.
- 2 A downpayment will not be deemed to be a purchase nor will the installation of the foundation be deemed to be an installation requiring such approval.
- C It must not appear because of the type of equipment, design, size, location or otherwise, that the equipment may become part of, or made use of, in connection with any commercial operation, including, but not limited to, elevators, warehouses, dryers, and processing plants. Any equipment located in working proximity to any commercial operation shall be deemed to be a part of such operation for the purpose of this program.

7 LOAN NOT AVAILABLE

Do not approve or disburse a loan to any applicant whose name is on the debt record for any reason except upon written approval of the State committee. Do not approve or disburse a loan to:

- A Repair, remodel, or maintain existing equipment.
- B For the purchase of secondhand equipment.
- C Provide drying equipment for commodities which the borrower intends to purchase or condition for others.
- D Purchase immovable drying equipment, unless:
 - 1 The applicant owns the site on which the equipment is to be erected.
 - 2 CCC is granted a first lien on the site and additional real estate, if any, which CCC may require to secure the loan.

8 TERM AND SECURITY OF LOANS

- A Maximum Term. The maximum term of a loan shall be three years from date of disbursement, except that:
 - 1 The term of an individual loan may be extended and reextended for terms not exceeding one year each if the county committee determines in writing that the borrower is unable to meet the current installment because of catastrophic loss of crops or comparable conditions beyond control of the borrower.
 - 2 Extensions authorized above shall merely defer the date upon which each subsequent payment is payable.
- B Security. Loans shall be secured by:
 - 1 Chattel mortgages on the drying equipment which shall constitute the sole lien on such equipment,
or

- 2 First lien in the form of a real estate mortgage, deed of trust, or other security instrument, approved by CCC, on the borrower's farm or other property on which the equipment will be located, or on such acreage of the farm as the county committee determines will permit, in the event of foreclosure, access to the equipment and will constitute a salable unit.
- a Loan Relating to Immovable Drying Equipment.
Require a first lien on the real estate.
- b Loan on Mobile or Movable Drying Equipment. A first lien on the real estate may be required at the discretion of the person authorized to approve the loan.
- c Subordination Agreement - Drying Equipment Loan, Form CCC-300-1. Required first liens on real estate may be obtained through this form where the real estate is subject to any other lien.
- d Severance and Security Agreement, Form CCC-297-1. In connection with loans on movable drying equipment secured by chattel mortgages, this form must be executed and acknowledged by all persons (including mortgagees) having an interest in the land on which the equipment will be placed, before the commitment action is signed.
- e Cost. The borrower shall pay the cost of recording or filing all loan documents.

9 COMMITMENT ACTION

- A Approval of Loan. Upon approval of application for a loan, the county committee shall execute the "commitment action" on the reverse of Form CCC-302, Application for a Drying Equipment Loan.
- B Expiration of Action. The loan commitment shall become null and void four months after the date of commitment unless

- 1 The loan has been disbursed, or
- 2 The county committee has extended the commitment action in writing on or before that date.

C Deputy Administrator Approvals. Unless approved by DASCO, a loan shall not be approved or disbursed after the expiration date of the loan commitment. Send requests for such approvals to the Area Director supported by the facts and the recommendations of the State and county committees.

10 AMOUNT OF LOAN

The amount of any loan shall not exceed eighty-five percent of the out-of-pocket cost to the applicant of the delivered and assembled equipment.

- A An individual loan shall be approved for less than the maximum amount when such action is necessary to protect the security interest of Commodity Credit Corporation (CCC).
- B Evidence, satisfactory to the county committee (invoices, receipted bills, etc.), as to actual out-of-pocket costs and the amounts of downpayment shall be sent to the county committee by the borrower before the loan is disbursed.

11 DOWNPAYMENT

- A A minimum downpayment of not less than the difference between the amount of the loan (determined pursuant to paragraph 10) and the actual out-of-pocket cost of the drying equipment shall be made by the loan applicant to the vendor before the loan is disbursed.
- B The downpayment shall be in cash except that a reasonable trade-in allowance for farm equipment or other tangible property may be considered as cash.

- 1 If the trade-in allowance is in excess of the minimum downpayment, the amount of the loan shall be reduced by the amount of such excess.
 - 2 If the trade-in allowance is in excess of a reasonable market value, only the reasonable market value may be counted toward the downpayment. Any additional amount required to equal the minimum downpayment shall be paid in cash by the applicant to the vendor before the loan is disbursed. (This provision shall require a determination of a reasonable market value only in cases which appear to be questionable.)
- C A downpayment shall not include any discount, rebate, credit, deferred payment, post-dated check, or promissory note to the vendor.

12 REPAYMENT OF LOANS

- A Installments. The principal of the loan shall be repayable in equal annual installments with interest at 4% per year on the unpaid balance.
- 1 The first installment, including interest, shall be payable on the first anniversary date of the disbursement of the loan in cash or out of amounts due the borrower under any price support loan or purchase agreement operation carried out by the Department.
 - 2 A like installment shall be similarly payable on each anniversary date thereafter until the principal, together with the interest thereon, has been paid in full.
- B Method of Payment. Payments out of price support loan or purchase agreement operations shall be obtained by deduction from the proceeds due from such operations except that any such deduction shall not exceed that portion of the proceeds remaining after deduction of service charges and amounts due prior lienholders.

C Deductions.

- 1 Each installment must be paid out of price support proceeds, in cash, or otherwise when such installment is due. If the borrower fails to pay any installment, when due, the county committee may recommend to the State committee that the loan be called. If the State committee concurs, call the loan in accordance with the provisions of paragraph 38.
- 2 Any delinquent loan or past due amount of any annual payment may be deducted and paid out of amounts due the borrower under any program carried out by the Department utilizing any funds available to the Department.
- 3 Any payment for storage of commodities in farm storage structures under a price support or resale program due from CCC to a borrower shall be applied to:
 - a Any delinquent amount, including interest.
 - b The borrower's drying equipment loan installment which is due and payable when the storage payment is due, including interest.

D Right to Call Loan. CCC may declare the entire indebtedness immediately due and payable:

- 1 Upon breach by the maker of the note of any covenants or agreements under the mortgage or other security instruments securing the note, or under any other instruments executed in connection with the loan.
- 2 If the equipment is used during the life of the loan in connection with any commercial operation, including, but not limited to, elevators, warehouses, dryers, or processing plants.

E Payment in Full.

- 1 The loan may be paid in full or in part any time before maturity.

- 2 Upon payment of drying equipment loans secured by mortgages or deeds to secure debts owed to CCC or secured by deeds of trust under which CCC is beneficiary and, upon request by the borrower, the county committee shall release, or obtain the release of, such instruments of record. The county committee chairman or the county office manager is authorized to act as agent of CCC for such action.

13 EXTENSION OF INSTALLMENT

A loan may be extended or reextended by the county committee for reasons outlined in subparagraph 8 A, when request for such extension is made in writing by the borrower. Approval of such extension is subject to the following provisions.

- A An extension shall be for one year only, thus deferring the remaining installments for one year.
- B The financial condition of the borrower must warrant an extension. If he is able to pay without financial embarrassment, an extension is not warranted.
- C An extension shall apply to the principal amount of the loan plus accrued interest. Compute interest against the principal amount of the loan outstanding and add it to the amount payable as interest accrues. Do not compound interest.
- D When a borrower's service in the armed forces curtails operations of the farm property so as to drastically reduce income from such operation, the county committee may extend the loan for one year and may stipulate further that if the borrower is still serving in the armed forces at the expiration of the one-year extension and conditions remain the same, an additional extension of one year will be granted.
- E Exercise care to see that the security position of CCC is not endangered by any extension. The county committee should make certain that any tenant-borrower's lease will run through an extended maturity date of the loan.

- F Before any extension is granted, the county committee should ascertain that any taxes have been paid which may constitute a lien in any way on the equipment, including, but not limited to, real and personal property taxes assessed against the borrower.
- G In granting any extension, be careful to comply with the legal requirements of the particular State concerning registration, legal notice, etc. The Regional Attorney will furnish information with reference to legal requirements.

14 DEFERMENT OF INSTALLMENT

A loan installment may be deferred for reasons outlined in subparagraph 8 A, when the borrower requests such deferment.

- A Deferment means the extension of an individual installment for less than one year.
- B A deferment merely defers the borrower's obligation with respect to the particular installment involved. It does not extend the term of the loan or the remaining installments.

15 INSURANCE

For all loans or outstanding balances of \$1,000 or more, the borrower, at his own expense, shall maintain insurance on the equipment, providing protection against loss by fire and other hazards existent in the area.

- A Amount of insurance shall not be less than the unpaid principal amount of the loan.
- B A policy with a \$50.00 deductible clause may be accepted.
- C The policy shall contain a clause making any loss thereunder payable to CCC as its interests may appear.
- D The borrower shall submit a copy of the insurance policy or an appropriate rider to an existing policy to CCC before the loan is disbursed.

- E CCC reserves the right to call the loan at any time during the life of the loan if the required insurance is not in effect.

16 TAXES

- A The borrower must promptly pay all taxes, liens, or other charges assessed upon or attaching to the mortgaged property.
- B CCC may pay such amounts not paid by the borrower in accordance with paragraph 32, when necessary to protect CCC's interest under foreclosure proceedings (paragraph 39).

17 MAINTAINING DRYING EQUIPMENT

The borrower shall maintain the drying equipment in good condition and repair until the loan is paid in full.

18 DISBURSEMENT OF LOAN

Disbursement of loan proceeds may be made only upon compliance with the following applicable provisions:

- A The applicant has submitted Form CCC-302, Application for a Loan on Drying Equipment and has complied with the requirements set forth therein.
- B The applicant has furnished satisfactory evidence of the payment of all debts on the drying equipment in excess of the amount of the loan.
- C The applicant has obtained any required insurance.
- D The county office has checked county records to determine that no chattel or real estate mortgage to another party covering the drying equipment has been recorded or filed.
- E The amount of the disbursement shall not exceed the authorized amount of the loan or the amount of the commitment action, whichever is less.

- F Disbursement of the loan proceeds shall be made jointly to the borrower and the vendor, except that disbursement may be made to the borrower alone upon evidence satisfactory to the county committee that the entire amount due the vendor has been paid by the borrower. Except for the downpayment, payments to the vendor by the borrower must have been made after the date of the application unless expressly approved by DASCO (subparagraph 6 B).
- G Unless approved by the Deputy Administrator, State and County Operations, ASCS, a loan shall not be approved or disbursed:
- 1 After the expiration date of the loan commitment.
 - 2 Before the date of application for a loan, if the drying equipment has been purchased or delivered before such date. (A downpayment is not deemed a purchase.)

19 SERVICE CHARGE

- A Amount. Five dollars (\$5.00) or one percent of the amount of the loan, whichever is greater.
- B When Paid. Paid by the applicant on the "date of application" (Form CCC-302).
- C Refund. If the loan is not completed for any reason, the county committee shall retain five dollars (\$5.00). Refund any balance of the service charge to the applicant in accordance with Handbook 1-CA.

20 SALE OR CONVEYANCE OF SECURITY

- A Sale Without Repayment of Loan. When the borrower desires to sell or convey the drying equipment or other property securing a loan without repaying the loan in full, he shall apply to the Chairman of the county committee for approval of such action on behalf of CCC.

- B Interest and Delinquent Installments. The borrower or the person assuming the loan shall pay the interest on the loan (up to but not including the date of the sale), together with the amount of any delinquent installment, except that:
- 1 The State committee may, if it determines such action is in the interest of CCC, authorize the county committee in writing to approve an assumption and security agreement without prior payment of delinquent installments.
 - 2 The amount of any delinquent installment not paid shall be added to and included as part of the amount assumed.
- C Method of Approval or Disapproval.
- 1 If such approval is granted, the borrower and the purchaser shall execute an assumption and security agreement in the form prescribed by CCC. Show approval of the transaction on behalf of CCC by signature of the Chairman of the county committee in the space provided in the agreement.
 - a For mobile or movable drying equipment loans, use Form CCC-306, Assumption and Security Agreement - Drying Equipment Loan (Exhibit 10).
 - b For immovable drying equipment loans, obtain approved form from the Regional Attorney.
 - 2 If approval is not granted, explain reasons to the borrower by letter.
 - 3 The Chairman of each county committee is authorized to approve such transactions on behalf of CCC with respect to facilities located within the county.

PART 3 REVIEWING AND PROCESSING LOAN APPLICATIONS

21 RECEIVING APPLICATIONS

- A Initial Contact by Applicant. When a potential loan applicant initially contacts the county office, fully explain the procedure to be followed as outlined in Parts 1 and 2. Give special emphasis to:
- 1 Eligibility requirements for loan applicant.
 - 2 Eligibility of proposed drying equipment.
 - 3 Maximum amount of loan available under the formula prescribed in paragraph 10.
 - 4 Type of security that will be required.
 - 5 Insurance requirements for loans or outstanding balances of \$1,000 or more. Insurance is not required for amounts less than \$1,000.
 - 6 Interest rate.
 - 7 Loan installments and method of repayment.
 - 8 Circumstances involving right of CCC to call loans.
- B Receipt of Loan Applications. Loan applications must be filed with the county office, in duplicate, on Form CCC-302 (Exhibit 5). The person receiving the application shall carefully review same and must assure compliance with program regulations with special attention to the following:
- 1 Form CCC-302 must be signed by applicant before or at time of submission to county office. Signature of applicant's spouse is needed only in States where such signatures are required by statute.
 - 2 If two or more "eligible borrowers" join together in applying for a loan, each shall sign all documents and be liable jointly and severally with respect to the loan. (See also subparagraph 2 B.)

- 3 Check with applicant to assure that the numbered paragraphs of the application have been read and are fully understood. Fully explain any items not understood.
- 4 Determine whether the proposed equipment is "mobile," "movable," or "immovable."
- 5 Advise applicant as to maximum amount of loan available, if the loan application is approved. Be careful to avoid any indication that a loan will be approved before the commitment action has been signed.
- 6 Calculate amount of service charge in accordance with paragraph 19 and collect service charge from applicant.
 - a Deposit collected service charges in the county committee's bank account.
 - b Remit to the State office, once a week, all service charges collected. Make check payable to "Agricultural Stabilization and Conservation Service." Send it with Form CSS-603 prepared in the regular manner.
 - c Identify service charges in column 5 of the collection register with notation "Drying Equipment Loan Service Charge."
 - d Undercollection of service charges of amounts in excess of \$3.00 shall be collected from the applicant.
 - e Undercollections of amounts of \$3.00 or less need not be collected.
- 7 Explain to applicant the type of security that will be required (chattel mortgage or first lien on real estate) and the method for filing or recording such instrument.

- 8 Forms CCC-297-1, Severance and Security Agreement are required before the commitment action can be signed for a loan on "movable drying equipment" to be secured by a chattel mortgage and security agreement. Furnish applicant with sufficient copies of the form to obtain execution, in triplicate, from all parties subject to the requirement. Explain that the loan cannot be approved until the forms have been submitted to the county office.
- 9 Complete check list (Exhibit 2) to the fullest extent possible for use by the county committee in considering the loan application. Make every effort to obtain this consideration at the earliest possible date.

22 REVIEW AND CONSIDERATION OF APPLICATION BY COUNTY COMMITTEE

- A Approved Vendor. The vendor from whom the equipment is to be purchased must be approved under a "Supplier's Agreement" on Form CCC-308 (Exhibit 13) when the loan commitment is signed on behalf of the county committee. (See paragraph 23)
- B Consideration of Application and Check List. Complete a check list (Exhibit 2) for each loan application reviewed. Data on the completed check list will provide a basis for:
 - 1 Disapproval of the application.
 - 2 Approval of the application.
 - 3 Recommendation that the application be considered for approval by higher authority designated in subparagraph 4 A.
- C Determination of Security Required. The county committee or the higher authority approving loans shall determine the type and amount of security required for each loan (subparagraph 8 B).
 - 1 A loan on mobile or movable drying equipment shall be secured by a chattel mortgage and security agreement on the equipment which shall constitute the sole lien on such equipment; or a first lien in the form of a real estate mortgage, deed of trust, or other security

instrument on the borrower's farm or other property on which the equipment is to be located, or on such acreage of the farm as, in the judgment of the approving party will, in the event of foreclosure:

- a Permit access to the equipment.
 - b Constitutes a salable unit.
- 2 A loan on immovable drying equipment shall be secured by a first lien on the real estate as outlined in 1 above.
- 3 In determining the adequacy of security to be required, give special attention to:
- a Cost and ease of dismantling and removing the equipment in the event of foreclosure.
 - b Probability of damage in dismantling larger units of equipment.
 - c Adequacy of the security to cover the indebtedness.
- 4 Where the description of the equipment is required on any form (including, but not limited to, the application, mortgage, severance agreement, etc.), the description shall list and adequately identify the equipment and all other items, the cost of which is used in computing the amount of the loan.

D Results of Review and Consideration. The review and processing of a loan application shall result in the applicable following action:

- 1 If application is approved by the county committee (subparagraph 3 E), complete the "Approval and Commitment" section on the reverse of Form CCC-302. Sign the "Commitment Action" block on the original only.
- a For an application for movable drying equipment secured by a chattel mortgage and security agreement, the commitment action shall not be signed until the required severance agreement(s) has been received in the county office (paragraph 25).

- b Deliver the original application with the signed "Commitment Action" to the applicant to assist him to complete his purchase (Exhibit 3). Exchange the original application for the copy with the unsigned "Commitment Action" before the loan is disbursed (Exhibit 4).
- 2 If the county committee recommends approval by higher authority, send the application, together with information required in subparagraph 4 A to the State office immediately.
 - a If the application is disapproved by higher authority, follow subparagraph 22 D 3 b.
 - b If the application is approved by higher authority, follow subparagraph 22 D 1 a and b.
- 3 If application is disapproved, inform applicant by letter giving reasons.
 - a For an application disapproved by the county committee, send the letter as soon as possible after consideration of the application.
 - b For an application disapproved by higher authority, send the letter immediately after receipt of information from the State office.

23 FORM CCC-308, SUPPLIER'S AGREEMENT - FARM STORAGE FACILITY AND DRYER LOAN PROGRAMS (EXHIBIT 13)

- A Before the county committee executes a loan commitment, the vendor named in the application must have been approved under a "Supplier's Agreement," Form CCC-308. (Form-414 is no longer required on dryer loans.)
- B Vendors shall request approval by completing, signing and presenting CCC-308, in triplicate, to the county office.
- C Distribute agreements approved by the county committee as follows:
 - 1 Retain the original in the county office.
 - 2 Send one copy to the State office.
 - 3 Deliver one copy to the vendor.

- D Breach of any of the provisions of the agreement by the supplier will constitute grounds for county committee withdrawal of approval. In such event a letter addressed to the vendor explaining the reasons for the action, prepared in triplicate, shall be distributed:
- 1 Send the original to the vendor.
 - 2 Retain one copy in the county office.
 - 3 Send one copy to the State office.
- E After the withdrawal of approval of a vendor, the county committee shall not approve a new agreement for such vendor without prior authorization of the State committee.
- F The State committee is responsible for:
- 1 Vendor Approval. It may:
 - a Require approval in each county in which a vendor wishes to operate, or
 - b Place a vendor on a State approved list after approval in one county. This action constitutes approval for operation in all counties in the State. For chain-type operations, agreements must be considered by location and signed by the vendor representative in each location.
 - 2 Action on Withdrawal of Approval. A county committee withdrawal of approval shall apply to all counties in the State.
 - a If a State list is maintained, remove the vendor's name from the list.
 - b If a State list is not maintained, notify all counties of the vendor's disqualification as an "eligible vendor."
 - c Send a copy of any action taken to the Area Director for possible transmission to other States.

24 FORM CCC-304, CHATTEL MORTGAGE AND SECURITY AGREEMENT - DRYING EQUIPMENT (EXHIBIT 7)

- A Requirement and Preparation. The borrower shall complete and sign a Form CCC-304, in triplicate, for each loan on mobile or movable drying equipment for which the county committee has determined this type of security to be adequate.
- B Filing or Recording. Promptly file or record the original form in accordance with requirements of the State law.

25 FORM CCC-297-1, SEVERANCE AND SECURITY AGREEMENT (EXHIBIT 9)

- A When Required. Severance and security agreements signed by all persons (including mortgagees) having an interest in the land on which the equipment will be placed, are required in connection with any loan on movable drying equipment, to be secured by a chattel mortgage and security agreement.
- 1 Each severance and security agreement, signed and acknowledged, in triplicate, must be in the possession of the county office before the commitment action is signed for the county committee.
- 2 Show the legal description of the land on which the facility is to be located on the form.
- B Filing or Recording. Promptly file or record the original severance and security agreement.
- 1 File or record the agreement before the equipment is installed if the Regional Attorney advises that State Homestead Laws so require.
- 2 The borrower shall pay any expense for filing or recording.

26 FIRST LIEN ON REAL ESTATE

- A Requirement. When a first lien on real estate is required as security (subparagraph 22 C), the borrower shall sign the instrument in triplicate. The borrower's spouse shall also sign the instrument in States where such signature is required by statute.

- 1 The title examiner shall prepare the instrument and shall be responsible for the filing or recording of the original document in accordance with State law.
 - 2 Put one copy of the instrument in the producer's file in the county office. Give one copy to the borrower. Indicate on the county office copy the date of filing or recording, place, book number, and page number.
 - 3 If the land to be mortgaged is already mortgaged, or subject to a prior lien, the county office shall advise the title examiner that a subordination agreement (paragraph 27) is to be recorded making CCC's mortgage a first lien on the site where the facility is to be located.
 - 4 A second mortgage, marked "Supplemental," may be required on the entire property.
 - 5 The first lien on the site on which the equipment is to be located must contain an exact legal description of the site, followed by the phrase "with right of ingress and egress to and from such property."
 - 6 The State committee chairman shall be named trustee in all deeds of trust (except in Colorado where a public trustee is required). The trustee shall be formally designated as:

" _____
(Name of Chairman)

Chairman, _____
Agricultural Stabilization and Conservation
State Committee, and his successors in office."
 - 7 The Regional Attorney will furnish each State with the form of mortgage, together with any related forms required.
- B Costs. The borrower shall pay the cost of filing or recording and all title fees.

27 FORM CCC-300-1, SUBORDINATION AGREEMENT (EXHIBIT 12)

- A When Required. The loan applicant shall furnish a subordination agreement, signed in triplicate by the lienholders, in connection with all real estate mortgages on land on which the equipment is to be located, when such land is encumbered.
- B Preparation. The title examiner shall prepare the agreement, in triplicate, and deliver it to the county office with the preliminary "Certificate of Title" (paragraph 28).

28 FORM CCC-299-1, CERTIFICATE OF TITLE (EXHIBIT 11)

- A When Required. In connection with all real estate mortgages.
- B List of Approved Examiners. The State office shall obtain a list of approved title examiners for each county from the Regional Attorney. The county office shall make the list available to applicants.
- C Preparation. An approved title examiner shall complete and sign the form in duplicate.
- 1 The preliminary certificate of title shall be in the possession of the county office before the "Commitment Action" on the loan application is signed.
 - 2 Advise the loan applicant to make arrangements with the title examiner to handle the recording or filing of the mortgage and to furnish a final certificate of title when the loan has been approved for disbursement.
 - 3 The title examiner shall deliver the final certificate of title to the county office after the real estate mortgage has been filed or recorded.
- D Distribution. Put the original Form CCC-299-1 in the producer's file in the county office. Give the copy to the borrower.

PART 4 DISBURSING THE LOAN

29 REQUIREMENTS TO BE MET

- A Handbook Provisions. A loan may be disbursed only after all actions required by this handbook have been completed.
- B Form CCC-303, Promissory Note - Drying Equipment Loan (Exhibit 6). The loan applicant shall complete and sign the note, in triplicate, before the loan is disbursed.
- C Security Documents. Completed and signed security documents (chattel mortgage and security agreement and severance and security agreement, or certificate of title and first lien on real estate) are in the possession of the county office.
- D Loan Application. The original application with the "signed" commitment action, previously delivered to the applicant, is exchanged for the copy held in the producer's file.
- E Evidence of Payment of Debts. Evidence satisfactory to the county committee (invoices, receipted bills, etc.) is on file showing that all debts on the equipment in excess of the amount of the loan have been paid.

30 FORM CCC-303, PROMISSORY NOTE - DRYING EQUIPMENT LOAN
(EXHIBIT 6)

Prepare and distribute the Form CCC-303 according to Exhibit 6.

31 DISBURSEMENT OF LOAN

- A When Made. After all of the requirements, determinations and documentations have been completed, disburse the loan by sight drafts prepared according to Handbook 1-FI.
- B Notation of Documents. Enter disbursement data on all copies of the Forms CCC-303 (Exhibit 5) and CCC-305 (Exhibit 8).

- 1 Form CCC-303. Draft numbers, amounts and the date of disbursement.
- 2 Form CCC-305. Name and address of each payee, draft numbers, amounts and date of disbursement.

C Transmittal to Data Processing Center. Send to the DPC the accounting copies of drafts issued in disbursing loans, the related copies of the approved Forms CCC-305, and a Form CCC-384 prepared according to Handbook 1-FI. Show in Item 3 of the CCC-384, "Drying Equipment Loans Disbursed."

32 ADDITIONAL DISBURSEMENTS MADE TO PROTECT CCC'S INTEREST

- A Disbursements. Pay additional charges by issuing a sight draft according to Handbook 1-FI, on the basis of approved invoices submitted in duplicate. Show on the DPC's copy of the invoice, the loan number and whether the loan is in loan or in claim status.
- B Action to be Taken on Disbursements.
- 1 Attach a copy of the invoice to the original note.
 - 2 If the loan is in claim status, prepare and distribute a Form CCC-364 according to Handbook 58-FI, to cover the additional expense, and record the additional charge on the debt record.
 - 3 If the loan is in loan status, enter the additional charge on the reverse of the original note as an addition to the unpaid balance.
- C Transmittal to Data Processing Center. Send to the DPC the accounting copies of drafts issued for additional disbursements, the related copies of invoices, and a Form CCC-384, prepared according to Handbook 1-FI. Show in Item 3 of the CCC-384, "Additional Charges in Drying Equipment Loans." Do not include drafts disbursing loan proceeds.

33 OVERDISBURSEMENT DUE TO ERROR BY CCC

- A Request Refund. If, at any time after a loan has been disbursed, it is found that the amount of disbursement is in excess of the amount authorized by more than \$3.00, due to error by CCC, request the borrower by letter to refund the amount overdisbursed.
- B Nonassessment of Interest. Interest is not payable on any such refund provided refund is made within 30 days from date of request.
- C Recording Refunds.
- 1 Prepare Form CCC-500 for each refund according to Exhibit 16, except that if no interest is collected, enter "NONE" in the appropriate block for Item 3 and explain under Item 4.
 - 2 Record the collection of the refund on Form CCC-303. Deposit the amount collected at the Federal Reserve Bank as provided in Handbook 3-FI.

PART 5 COLLECTING AND SERVICING LOANS

34 COLLECTING INSTALLMENTS

- A Review of Producer's File. Approximately 30 days before the "anniversary date" of each loan, review the producer's file to determine the status of required insurance.
- 1 The county office shall notify the borrower in writing, that the annual installment is due and payable on the anniversary date of the loan and request payment on or before that date.
 - 2 The notice shall also state any action necessary with respect to required insurance.
 - a If the outstanding balance of the loan is \$1,000 or more, insurance on the equipment is required, in accordance with paragraph 15.
 - b Put a copy of the notice in the producer's file.
- B Deduction of Installment from Price Support Proceeds.
- 1 If the borrower does not pay the installment and interest on the anniversary date of the loan, the county committee shall deduct such installment and interest from any price support proceeds due the borrower.
 - 2 Unless the deduction of a larger amount has been authorized by the borrower in writing, only the installment due, plus interest, may be so deducted.
- C Application of Installment Payments. Apply all payments received (by cash or setoff) first to liquidate accrued interest to date of repayment. Where such application would leave a principal balance of \$3.00 or less, apply the amount repaid first to liquidate the entire principal balance and apply the remainder to interest.

- D Interest. Compute interest at 4% per year on the unpaid balance of the loan from date of disbursement (or date to which interest was last paid) to, but not including, the date payment is received.
- E Preparation and Distribution of Form CCC-500. Prepare and distribute a Form CCC-500, Repayment Record, according to Exhibit 16 for each repayment received.
- F Deposit of Remittances. Deposit all repayments at the Federal Reserve Bank of Kansas City according to Handbook 3-FI.

35 DELINQUENT INSTALLMENTS

- A Installment not Paid When Due. If payment of any installment, in cash or by deduction from amounts due the borrower, is not received when due, the county office shall:
 - 1 Notify the borrowers in writing that the installment is delinquent and that a check or money order for the amount of the installment, plus interest, should be forwarded without delay.
 - 2 File a copy of the notice in the producer's file. Send a copy to the State office.
- B Installment not Paid within 30 Days of Notice. If the delinquent installment, plus interest, is not paid and the installment has not been extended or deferred (paragraphs 13 and 14) within 30 days after the borrower has been notified, place the amount of the delinquent installment on the debt record. Do not prepare a Form CCC-364 at this time (subparagraph 38 C).
- C Calling Loan. Under the terms of the note, CCC may call the loan when any installment becomes delinquent.
 - 1 When a delinquent installment is placed on the debt record (subparagraph B), the county committee may recommend to the State committee that the loan be called.
 - 2 When such recommendation has been made, and movable drying equipment is involved, the county committee shall attempt to obtain a completed and signed CCC Form-400, Agreement for Voluntary Liquidation of Mortgaged Chattels (Exhibit 14), from the borrower (subparagraph 38 B).

3 Advise the State office whether a Form CCC-400 is obtained.

D Collection of Installment from Other Program Funds.
Set off any amount which has been placed on the debt record from amounts due the borrower under any program carried out by the Department.

E Deposit of Collection. If a collection or a setoff is made on a delinquent installment that was placed on the debt record before a Form CCC-364 was prepared and distributed, deposit that amount collected or setoff as a loan repayment and not as a claims collection.

36 LOAN PAID IN FULL

Upon full payment of a drying equipment loan, mark the original note "paid" and release it to the borrower. In addition:

A Release to the borrower the CCC copy of any effective insurance policy.

B If requested by the borrower, the county committee may release any security instruments (mortgages, deeds to secure debts owed to CCC, or deeds of trust) of record.

1 The chairman of the county committee or the county office manager is authorized to act as agent of CCC in releasing such instruments.

2 The borrower is required to pay any expense connected with releasing security instruments, except that such costs may be paid from the county office bank account where collection efforts would not be warranted because of the small amount involved.

37 VOLUNTARY LIQUIDATION OF MORTGAGED CHATTELS

A Action in Lieu of Statutory Foreclosure. A drying equipment loan on either "mobile" or "movable" drying equipment may be liquidated or partially liquidated by authorization of the borrower for CCC to take possession of and to sell such equipment.

- B Form CCC-400, Agreement for Voluntary Liquidation of Mortgaged Chattels (Exhibit 14). The form should be completed and signed, in duplicate, by the borrower. Put the original in the producer's file. Deliver the copy to the borrower.
- 1 Signature of the borrower's spouse is needed only in States where required by statute.
 - 2 Inform the borrower that use of this voluntary agreement will probably expedite settlement of the loan in the most inexpensive way.
 - 3 Check the chattel mortgage records for the county in which the drying equipment is located to determine whether there are junior liens covering the secured property.
 - 4 Give notice to any junior lienholders immediately, of the intention of the county committee to sell the property pursuant to the terms of the agreement.
 - a Such notice shall be by personal contact, properly recorded in the producer's file, or
 - b By certified mail, return receipt requested.
- C Sale of Property. Sell for the best price obtainable by private sale or by public auction to the highest bidder.
- 1 If by private sale, record why such method is considered to be most advantageous.
 - 2 If by public auction, sale should be conducted on the premises on which the property is located.
- D Form CCC-401, Bill of Sale - (Sale through Commodity Credit Corporation as Liquidating Agent) (Exhibit 15). The form shall be completed and signed in triplicate upon completion of sale.
- 1 Put original Form CCC-401 in the producer's file in the county office.

- 2 Deliver one copy of Form CCC-401 to the borrower and one copy to the buyer.
- E Distribution of Sale Proceeds. Distribute proceeds of the sale in the following order and manner:
- 1 Satisfaction of borrower's indebtedness to CCC, including any unpaid principal amount of the loan, accrued interest, and costs of sale incurred by CCC. Prepare and distribute a Form CCC-500 according to Exhibit 16.
 - 2 If the borrower's indebtedness (see 1 above) is not completely liquidated, place the unliquidated amount on the debt record. Prepare and distribute a CCC-364 according to Handbook 58-FI.
 - 3 Make payment of amounts due junior lienholders only in accordance with legal advice from the Regional Attorney.
 - 4 To the borrower or his assigns.
- F Refusal to Authorize Sale by CCC. If the borrower declines to sign a voluntary liquidation agreement, the county committee shall:
- 1 Send the loan documents to the State office with a financial statement showing the borrower's assets and liabilities.
 - 2 Recommend to the State committee whether formal foreclosure proceedings should be instituted.

38 CALLING LOANS

- A Basis for Calling a Loan. The security instruments and loan documents provide that CCC may call a loan and declare the whole of the indebtedness immediately due and payable under any of the following circumstances:
- 1 If the borrower has made any representations or warranties in connection with the loan which prove to be false.

- 2 If it is determined at any time before the loan is repaid that the borrower is not eligible for price support (subparagraph 5 C).
 - 3 If the borrower fails to comply with any of his covenants or agreements in connection with the loan or in his application for a loan.
 - 4 If the borrower is adjudicated a bankrupt or commits an act of bankruptcy or makes a general assignment for the benefit of creditors, or takes advantage of any State or Federal insolvency law.
 - 5 If the mortgaged property is attached, or levied on by execution, decree, or other process of court.
 - 6 If the borrower dies or becomes incompetent.
 - 7 If CCC deems itself insecure.
- B County Committee Recommendation. If it appears necessary to call the loan, the county committee shall send to the State office a complete statement of the facts together with the recommendation of the county committee.
- C State Committee Consideration. The State committee shall review the loan documents and recommendation of the county committee and:
- 1 If the reasons for calling the loan appear to involve a possible violation of criminal law or civil fraud statutes, request legal advice on the matter from the Regional Attorney before administrative action is taken.
 - a Submit a full statement of the facts involved with necessary documentation.
 - b State, when possible, the administrative action considered advisable.
 - c Take no administrative action until such action can be coordinated with the legal advice received.

- 2 If the State committee does not approve the recommendation to call the loan, the State office shall advise the county committee in writing the action to be taken.
- 3 If the State committee approves the recommendation to call the loan, the State office shall notify the borrower that the whole of the indebtedness is due and payable, and that payment shall be made to the county office within 10 days after the date of the notice. Send a copy of such notice to the county office.
 - a If payment is not received within the time specified, transfer the unpaid principal balance of the loan to the debt record. Prepare Form CCC-364 in accordance with Handbook 58-FI.
 - b If a delinquent installment for any loan transferred to the debt record has previously been entered on the debt record pursuant to subparagraph 35 B, remove such entry, make reference to the entry made for the loan according to this paragraph.

39 FORECLOSURE PROCEEDINGS

- A Legal Action. Foreclosure action is a legal process which State committees shall take only through and on the advice of the Regional Attorney.
 - 1 Take such action when prior efforts to collect a delinquent indebtedness to CCC are unsuccessful.
 - 2 Prior efforts to satisfy indebtedness to CCC consist of calling the loan or, in the case of movable facilities, use of the "Agreement for Voluntary Liquidation of Mortgaged Chattels."
- B Protection of CCC's Interest. Take care to fully protect CCC's interest in the matter.
 - 1 Consider resale value of the facility carefully.

- 2 Enter bid by CCC at the foreclosure sale only if necessary to protect the interest of CCC. (CCC is not obligated to bid.)
 - 3 Bid for CCC shall not exceed the amount of the mortgage indebtedness, including interest and expenses paid by CCC for the account of the borrower, or the resale value of the property, whichever is lower.
- C Notice of Acquisition. The State committee shall notify the Area Director, in writing, full details of any property acquired by CCC through foreclosure. Send a copy of the notice with a copy of Form CCC-365 prepared according to Handbook 54-FI to the DPC. The notice shall include the following as a minimum:
- 1 Name and address of borrower and loan serial number (including State and county code).
 - 2 Amount paid by CCC for the property.
 - 3 Estimated resale value of the property.
 - 4 Outstanding balance of the loan, amount of accrued interest, and amount of expenses incurred by CCC.
 - 5 Recommendations of the State committee as to use or disposition of the property.
- D Authorization for Sale. If the State committee recommends sale of the property, make such sale only upon authorization of the Deputy Administrator, State and County Operations, ASCS. Send request for such authorization to the Area Director.
- E Expenses Incurred. Payment of expenses incurred to protect CCC's interest shall be in accordance with paragraph 32.

40 ABANDONED DRYING EQUIPMENT

- A Disposition. When any loan installment is delinquent and the drying equipment is abandoned by the borrower, the county office shall endeavor to contact such borrower to encourage him to:

- 1 Sell the equipment for cash and pay off the outstanding principal loan balance plus accrued interest, or
 - 2 Sell the equipment to a purchaser who will assume and agree to pay the mortgage debt.
- B Call the Loan. If the borrower will not take action toward sale of the equipment or if he is unsuccessful in such attempts, call the loan in accordance with paragraph 38.
- C Mortgage. CCC cannot assign the mortgage to a succeeding operator of the farm, nor is it possible before foreclosure, to have such operator execute a new chattel mortgage and security agreement.

41 RELOCATION OF MOBILE OR MOVABLE DRYING EQUIPMENT

- A Authority. Mobile or movable drying equipment under loan to a tenant-farmer may be relocated by the borrower only if such action is approved by CCC.
- 1 Do not grant approval if such action will impair the security position of CCC.
 - 2 Approval on behalf of CCC for relocation of such equipment shall be:
 - a If within a county, by the county committee for such county.
 - b If from one county to another, by both the county committee for the county in which the equipment is located, and the county committee for the county to which the equipment is to be moved.
 - 3 Make necessary changes on the note and the security documents before relocation of the equipment is effected, upon the advice of the Regional Attorney.

- 4 Send the loan papers in producer's file in the origin county office, together with the original note, to the destination county office by memorandum. Retain copy of the memorandum in the producer's file in the origin county office.
- B Expenses for Movement of Equipment. All expenses incident to movement of the equipment, including fees for filing or recording the new chattel mortgage, shall be paid by the borrower.
- C Reporting Equipment Moved from One County to Another.
- 1 The origin county office shall notify the DPC of the circumstances relating to the moving of equipment to another county by submission of a statement entitled "Drying Equipment Under Loan being Moved to Another County." Include the following information:
 - a Origin State and county codes and loan number.
 - b Destination State and county.
 - c Amount of outstanding principal balance.
 - 2 The destination county office, after filing or recording the new chattel mortgage and security agreement, shall notify the DPC by a statement entitled "Drying Equipment Under Loan being Moved from Another County." Include the following information:
 - a Origin State and county codes and loan number (including any applicable suffix).
 - b Destination State and county codes and a newly assigned number (including any applicable suffix).
 - c Amount of outstanding principal balance.

- D Unauthorized Relocations. If the equipment is relocated without CCC approval, the county committee may recommend to the State office that the loan be called in accordance with paragraph 38.

42 ADJUSTMENT OF TERM OF LOAN OR INSTALLMENT

Extend or defer loans only in accordance with paragraphs 13 or 14.

43 TRANSFER OF LOAN SECURITY

Sell or convey drying equipment or other property securing a loan only in accordance with paragraph 20.

44 CORRECTION OF DOCUMENTS

- A Annotation and Date. When it is necessary to file or record new instruments which are to correct instruments previously filed or recorded, put the word "corrective" immediately below the title on the new documents. The date on each "corrective" instrument shall be the date of execution, except dates referring to the date of another document (e.g. the date of a promissory note).

- B Insertion of Phrase. Immediately before the signature lines of each "corrective" document insert:

"This instrument is intended to be merely corrective of an earlier instrument dated _____ filed or recorded in Volume _____, Page _____, as Document No. _____, and is not intended to change in any way the rights, duties, or obligations of the parties hereto as to such rights, duties, or obligations as were set out in the original instrument heretofore recorded, except insofar as said instrument is corrected hereby."

PART 6 CUSTODY AND RECONCILIATION

45 LOAN SERIAL NUMBER CONTROL RECORD

Maintain a loan serial number control record having as a minimum columns for loan serial number, name and address of applicant, and date application received. Enter applications in numerical sequence as received. Enter the assigned loan serial number on each application and related documents. Identify each serial number for a loan on immovable drying equipment by the suffix "A."

46 PRODUCER'S FILES

Maintain a separate file folder in the county office for each loan. File copies of all documents and pertinent material relating to the loan in the folder.

47 SAFEKEEPING OF ORIGINAL NOTES

- A Designation of County Office Custodian. The county office manager shall designate in writing a county office employee as "county office custodian" and, if there are sufficient employees to do so, an alternate to act in his absence. The county office manager may designate himself as county office custodian or alternate. The county office manager, or acting county office manager, shall act as custodian if there is neither custodian nor alternate present.
- B Safekeeping Responsibilities. The custodian shall be responsible for the safekeeping of all original notes representing CCC loans. In the absence of the custodian, the designated alternate shall be likewise responsible. Maintain original notes in locked fire-resistant safekeeping equipment as provided in Handbook 1-CA. Restrict control of keys and knowledge of combinations to the least number of employees possible.

48 MAINTENANCE OF CUSTODY FILE

- A Receipt of Notes. Place original notes in the custody file immediately after disbursement of the loans. Maintain the custody file in sequence by loan serial number.
- B Entries to be Made on Original Notes. Endorse each partial repayment on the reverse of the original note. Show date of repayment, amount received, amount applied to interest, amount applied to principal and the unpaid balance.
- C Release of Notes. Remove original notes from the custody file only as follows:
 - 1 Upon full or final repayment.
 - 2 Upon transfer of the unpaid principal balance to the debt record. Remove the note from the regular custody file and hold in a separate file.
 - 3 Other Authorized Purposes. Notes may be removed from the file for other authorized purposes (such as for use in legal proceedings). However, hold a receipt or other document showing the loan number, name of borrower, unpaid principal balance and purpose of removal in the file for use in lieu of the original note in balancing the custody file to the Form CCC-386.

49 COMMODITY LOAN ACCOUNT STATEMENT

The Data Processing Center will send to each county office having outstanding loans a Form CCC-386, Commodity Loan Account Statement. The statement will be prepared during September of each year and will show the date of preparation. The statement will be prepared in loan serial number order and will list only those loans having an outstanding principal balance. State offices will be notified by the Data Processing Center of the date the statements are mailed to the county offices.

50 STATE OFFICE RESPONSIBILITY FOR PROMPT VERIFICATION OF NOTES

The State office shall determine that the county offices promptly verify the notes in the custody file to the commodity loan account statement. They shall also review statements of differences prepared by the county offices and send forward the statements to the Data Processing Center.

51 VERIFICATION OF NOTES TO COMMODITY LOAN ACCOUNT STATEMENTS BY
COUNTY OFFICES

- A General. Upon receipt of the Form CCC-386 in the county office, check the notes in the regular custody file to verify that they agree with the statement.
- B Items in Agreement. If the outstanding balance on the statement for a loan agrees with the outstanding principal balance of the related note in the custody file, put a checkmark in the column provided.
- C Items not in Agreement. If the outstanding principal balance of the note does not agree with the amount on the list, or if there are loans not listed or loans listed that do not belong to the county, make a notation on the list. Review the county office records and determine the reason for the difference taking into account the date of the statement. Correct any errors in county office records.

52 STATEMENT OF DIFFERENCES

List on a Form CCC-395, Statement of Differences, all differences over \$3.00 which appear to be errors or omissions in the Data Processing Center accounts or which cannot be identified. Prepare the CCC-395 in triplicate as follows:

- A Complete Heading. Enter information required in heading of form.
- B Body of Form. Enter loan serial number, loan balance per note, loan balance (if any) shown on the Form CCC-386, and reason for the difference, if it can be determined. Include in the explanation the transmittal or schedule of deposit number which transmitted or scheduled the item causing the difference, if it can be determined. Sign the form and send the original and one copy to the State office for review and transmission to the Data Processing Center.

REPORTS AND FORMS

REPORTS

(None)

FORMS

Number CCC	Title	Unit of Issue	Principal References
302	Application for a Drying Equipment Loan	Sheet	21 B, Ex. 5
303	Promissory Note - Drying Equipment Loan	Sheet	30, 31 B Ex. 6
304	Chattel Mortgage and Security Agreement	Sheet	24, Ex. 7
305	Disbursement Report - Drying Equipment Loan	Sheet	31 B, Ex. 8
297-1	Severance and Security Agreement - Drying Equipment Loan	Sheet	25, Ex. 9
306	Assumption and Security Agreement - Drying Equipment Loan	Sheet	20 C, Ex. 10
299-1	Certificate of Title - Drying Equipment Loan	Sheet	28, Ex. 11
300-1	Subordination Agreement - Drying Equipment Loan	Sheet	27, Ex. 12
308	Supplier's Agreement	Sheet	23, Ex. 13
400	Agreement for Voluntary Liquidation of Mortgaged Chattels	Sheet	38 B, Ex.14
401	Bill of Sale (Sale through Commodity Credit Corporation as Liquidating Agent)	Sheet	38 D, Ex.15
500	Repayment Record	3 Part Set	33 C, 34 E, Ex. 16

DRYING EQUIPMENT LOAN APPLICATION CHECK LIST
For Use by County Committee in Considering ApplicationApplication Serial No. 41-024-1Name of Applicant James B. Olsen
Address Hayward, Minnesota1 Does applicant qualify as "eligible borrower?" Yes ☒ No ☐
(2A, 5A)2 Does proposed equipment qualify as "eligible equipment?"
Yes ☒ No ☐ (2D, 6)

3 Name and address of vendor.

Farm Equipment Company, Albert Lea, Minnesota4 Has vendor been approved under a Supplier's Agreement,
Form CCC-308? Yes ☒ No ☐ (6 A)5 Show full description of proposed drying equipment. Include name of
manufacturer, type of equipment ("mobile," "movable stationary,"
or "immovable stationary"). Details of purchase ("FOB manu-
facturer's plant" or "delivered").1 ANSCO (American National Sales Company) Mobile Dryer (on
wheels), delivered6 Has applicant established need for the proposed drying equipment?
Yes ☒ No ☐ (1 A)

7 Details of cost of proposed equipment:

A	Purchase costs exclusive of discount or rebate.	<u>\$ 3,000.00</u>
B	Transportation costs.	<u>none</u>
C	Total cost for loan purposes.	<u>\$ 3,000.00</u>

8 Recommended maximum amount of loan. (10) \$ 2,550.00

- 9 Is insurance required? Yes ☒ No ☐ (15)
- 10 Is severance agreement required? Yes ☐ No ☒ (8 B 2 d)
- 11 Type of security to be required. (8 b) Chattel Mortgage
- 12 Amount of downpayment required. (11) \$ 450.00
- 13 Outstanding balance of all previous loans. \$ -0-
- 14 ☐ The application is disapproved for the following reason(s):

☒ A loan not to exceed the amount shown in line 11 hereof is approved, or is recommended for approval.

Member
Chairman

Date Freeborn ASC County Committee

NOTE: Numbers in parentheses refer to the applicable paragraphs of Handbook 6-GR (Rev. 2).

This exhibit is to be reproduced locally and may be expanded to include additional information required for local operations.

MEMORANDUM OF LOAN APPLICATION APPROVAL

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation
Freeborn ASCS County Office
Room 202, Post Office Building
Albert Lea, Minnesota

January 27, 1964

To: James B. Olsen, Hayward, Minnesota
From: Henry Jackson, County Office Manager
Subject: Drying Equipment Loan Application No. 41-024-1

The subject application has been approved by the Freeborn
ASC County Committee for a loan not to exceed \$2,550.00.
The amount of the loan will be based upon final cost figures submitted
to the county committee when the equipment has been delivered and
installed. In no event, however, will the amount of the loan exceed
the above figure.

Disbursement of the loan cannot be made until (a) the equipment has
been delivered and installed, (b) insurance (if loan is for \$1,000.00
or more) has been obtained, (c) evidence is submitted to the ASC
county committee (invoices, receipted bills, etc.) that not less than
the difference between the authorized amount of the loan and the full
cost of the drying equipment has been paid to the vendor, and (d) the
note and necessary security documents have been signed and delivered
to the ASCS county office.

The original application on which the "Commitment Action" has been
signed for the ASC county committee is enclosed to assist you in
completing the purchase of the equipment. This original application
must be surrendered for the copy thereof, before the loan can be
disbursed.

Your attention is invited to the fact that the application and commitment action will become null and void four months after the date of commitment, unless, on or before that date the loan has been disbursed or the commitment action has been extended, in writing, by the ASC county committee. Extension of the commitment action will be considered only upon your request and will be granted only for justifiable reasons as to why the transaction cannot be completed within the original period. Please note that requests for extension should be submitted for consideration before the expiration of the four-month period.

In view of the above, you are requested to complete the purchase of the equipment as soon as possible and to promptly notify the ASCS county office when the equipment has been delivered and installed.

If there is any question as to how to proceed, please immediately contact the ASCS county office and we will be glad to provide any further information needed.

NOTE: This exhibit is to be reproduced locally and may be expanded to include additional information required for local operations.

MEMORANDUM OF APPROVAL FOR DISBURSEMENT

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation
Freeborn ASCS County Office
Room 202, Post Office Building
Albert Lea, Minnesota

February 10, 1964

To: James B. Olsen, Hayward, Minnesota
From: Henry Jackson, County Office Manager
Subject: Drying Equipment Loan Application No. 41-024-1

The drying equipment loan application has been approved for disbursement in the amount of \$2,550.00.

To allow sufficient time for completion of the actions necessary as indicated in the paragraphs checked below, it is planned to disburse the loan on February 20, 1964. The loan cannot be disbursed until the required actions have been completed.

☒ Insurance on the equipment, providing protection against loss by fire and (insert other hazards existent in the area) must be obtained by the applicant at his own expense. A copy of the insurance policy (or a rider to an existing policy if coverage for the equipment is added thereto) must be delivered to the county office before the loan can be disbursed. A COPY OF THIS MEMORANDUM IS PROVIDED FOR SUBMISSION TO THE INSURANCE AGENCY OF YOUR CHOICE. The policy or rider must provide or include:

- 1 Coverage for not less than \$2,550.00
- 2 Term of the policy for the life of the loan or for not less than one year. The beginning date must be February 20, 1964

- 3 Description of the insured property as follows:
- 1 ANSCO (American National Sales Company) Mobile Dryer (on wheels), delivered
- 4 Legal description of real estate on which facility is located as follows:

NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 9, Township 4 N, Range 10 W,
Freeborn County, Minnesota

- 5 A loss payable clause payable to Commodity Credit Corporation.
- 6 The Standard Mortgage Clause to the effect that the insurance company will notify Commodity Credit Corporation in care of the ASCS office at the above address in case of cancellation and that the policy will remain in force, for the benefit of CCC only, for ten days after the date of such notice.

☒ You must provide evidence to the county committee (invoices, receipted bills, etc.) that the difference between the amount of the loan and the full cost of the drying equipment has been paid to the vendor.

☒ You must deliver a signed note, together with signed required security documents (chattel mortgage and security agreement or real estate mortgage and subordination agreement), to the county office before the loan can be disbursed.

Please call at the ASCS county office on February 20, 1964, with the supporting information and documents referred to above for completion of the loan.

If there is any question as to how you should proceed, please immediately contact the ASCS county office and we will be glad to provide any further information needed.

NOTE: This exhibit is to be reproduced locally and may be expanded to include additional information required for local operations.

FORM CCC-308
(11-7-63)U. S. DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation ServiceFORM APPROVED
BUDGET BUREAU NO. 40-62118SUPPLIER'S AGREEMENT
FARM STORAGE FACILITY AND DRYER LOAN PROGRAMS

TO:	COUNTY
Chairman, ASC County Committee	LOGAN
	ADDRESS
	2200 NORTH KICKAPOO LINCOLN, ILLINOIS

The undersigned supplier, in order to induce Commodity Credit Corporation, hereinafter called CCC, to make a loan of funds to applicants for loans under the above programs for use in the purchase of farm storage facilities or dryers from the undersigned supplier by such applicants hereby applies for approval as an eligible supplier for such purposes. As a part of this application, the undersigned makes the following representations and agreements and certifies that all information set forth herein is true and correct.

NAME AND ADDRESS OF SUPPLIER		
MACON COUNTY SUPPLY CO. 400 MAIN STREET DECATUR, ILLINOIS		
NAME & ADDRESS OF PRINCIPAL OWNER	NAME & ADDRESS OF PRINCIPAL OWNER	NAME & ADDRESS OF PRINCIPAL OWNER
THOMAS L. GENTRY 2200 SOUTH LINCOLN AVE. DECATUR, ILLINOIS	DEAN O. GENTRY 500 SOUTH SPRING ST. DECATUR, ILLINOIS	

The following are the names of all persons having an interest in the firm as owner, partner, stockholder, employee, or otherwise identified therewith who are also employees of the Federal Government: (including members of ASC State, county, and community committees and employees of ASCS State and county offices). If the supplier is a corporation, and it would be difficult or impossible to furnish names of principal stockholders, the person signing on behalf of the supplier should so state on this form.

NAME AND ADDRESS	NAME AND ADDRESS	NAME AND ADDRESS
NONE	If supplier is corporation and names of principal stockholders cannot be given, this fact should be recorded here.	

1. The undersigned represents and agrees as follows:

- That he has read and understands the regulations governing the Farm Storage Facility Loan Program and the Dryer Equipment Loan Program which are applicable to any property which may be sold to a prospective borrower under either of these programs.
 - That except as disclosed herein, the undersigned and no employee of the undersigned receives any remuneration as an employee of the Federal Government, or as ASC State or county committeemen, or as employees of the ASCS State or County offices.
 - That, upon request of a duly authorized representative of the United States Department of Agriculture to examine pertinent records of the supplier, the undersigned will permit such examination of all such records, and will maintain adequate records to permit verification of sales transactions to borrowers under the named programs for a period of three years.
 - That all invoices or other evidence presented to the borrower, to CCC, or to the ASC committee will correctly reflect the facts with regard to the sales transaction, and that all statements made in such documents will be true and correct, including but not limited to the true cost of the facility and equipment, the down payment, and any trade-in allowance, and that any discount, rebate, deferred payment, or credit arrangement constituting part of the stated cost will be clearly stated on the invoice or other documentation furnished to the borrower or to CCC.
- It is understood that approval by the ASC County committee of the supplier does not constitute endorsement of the supplier by CCC or by the ASC County committee, but that, on the basis of the representations made herein, such approval will merely mean that the committee and CCC will not oppose purchase of facilities or equipment from the supplier by an applicant for a loan under the programs if such facilities or equipment qualify as "Eligible" under all applicable program regulations.
 - It is understood that breach of any of the provisions of this agreement will result in withdrawal of the approval of the undersigned as a supplier, if such approval has been given, and such other action as the circumstances may warrant including rejection of loans to producers for purchases from the undersigned supplier until a new supplier's agreement is approved by the ASC State committee.
 - The supplier understands that any false or misleading statement made in any document prepared to support an application for a loan to a borrower under the program may lead to a fine of not more than \$10,000 or imprisonment of not more than five years or both and civil liability under 31 U.S. CL.231.

APPROVED:	NAME OF SUPPLIER
	MACON COUNTY FARM SUPPLY CO.
BY <u>Roy Olston</u>	BY <u>Thomas L. Gentry</u>
(FOR ASC COUNTY COMMITTEE)	TITLE
10-16-63	PRESIDENT
(DATE)	DATE
	10-15-63

ORIGINAL - Retain in county office.
1st COPY - Send to State office.
2nd COPY - Deliver to supplier.

AGREEMENT FOR VOLUNTARY LIQUIDATION OF MORTGAGED CHATTELS

ORIGINAL - Put in producer's file.

COPY - Deliver to borrower.

① Description must agree with that on other loan documents.

② Required in States when mandatory by statute.

③ Include name of county.

④ Mail address of county office.

FORM CCC-400 U.S. DEPARTMENT OF AGRICULTURE (11-12-63) Agricultural Stabilization and Conservation Service Commodity Credit Corporation	STATE 32	COUNTY 091
AGREEMENT FOR VOLUNTARY LIQUIDATION OF MORTGAGED CHATTELS	SERIAL NO. 49	

NAME AND ADDRESS OF BORROWER

Carl Thompson
Monticello, Indiana

THIS AGREEMENT, made this 17TH day of JULY, 1963, by and between CARL THOMPSON, MONTICELLO, INDIANA (hereinafter called the "Borrower"), and Commodity Credit Corporation (hereinafter called "CCC"), an agency and instrumentality of the United States of America:

WITNESSETH:

WHEREAS, the Borrower is indebted to CCC in the principal amount of FOUR HUNDRED NINETY-EIGHT AND NO/100 DOLLARS (\$ 498.00) evidenced by, and with interest as provided in, a promissory note secured by a chattel mortgage and security agreement or other lien instrument(s) (hereinafter called the "Mortgage"), on certain personal property hereinafter described; and

WHEREAS, the Borrower desires CCC to take possession of and to sell the personal property covered by the aforesaid mortgage and to apply the proceeds thereof in liquidation of such indebtedness to CCC, or such part thereof as the proceeds will cover, together with such other costs, expenses, and indebtedness as are described in paragraph 6 hereof, and such other indebtedness as may be created pursuant to this agreement.

NOW, THEREFORE, it is hereby mutually agreed as follows:

1. The Borrower agrees to give and, simultaneously with the execution of this instrument, does give to CCC possession of the following-described personal property: (Give detailed description of property)

① 1 KANKO (KANAWHA COMPANY) MOBILE DRYER (ON WHEELS).

2. The Borrower grants to CCC such power as may be necessary to incur such expenses as it deems necessary to protect, preserve, keep, care for, transport, or sell any property surrendered hereby; and that any expenditures made or incurred by CCC, for any such purposes, together with interest thereon, from the date of the expenditure, at the same rate as that specified in the aforesaid note executed by the Borrower in favor of CCC, shall be added to and become a part of the Borrower's indebtedness to CCC.
3. CCC is hereby empowered:
 - (a) To sell the said personal property either at private sale or at public auction, the manner and place of said sale to be at the discretion of CCC, and to bid at any such sale;
 - (b) To execute a bill of sale, either in the name of the Borrower or in the name of CCC, for any such property sold at any such sale.
4. This agreement shall remain in full force and effect for six months from the date first written above. During such period CCC agrees to exert its best efforts to sell said personal property and to maintain, or cause to be maintained, the custody of the mortgaged property pending the sale.

(OVER)

FORM CCC-400 (Reverse)

5. The Borrower agrees that any loss of, deterioration of, or accidental damage to the said personal property surrendered to CCC shall be borne by the Borrower. The borrower hereby releases and forever discharges CCC from liability for any and all claims of every nature whatsoever in connection with the handling, care, and sale by CCC of the property described in paragraph 1 hereof, except the liability of CCC to pay to the Borrower any surplus of the proceeds of such sale over amounts necessary to cover costs and expenditures from such proceeds as itemized in paragraph 6 hereof.
6. The Borrower and CCC agree that the proceeds of such sale may be applied in payment of:
- (a) The expenses of the sale or the reimbursement of CCC for any such expenditures as it may have made or incurred in connection therewith, including, but not limited to, the fees of an auctioneer employed in connection with such sale;
 - (b) The expenses incidental to the transporting, caring for, and maintaining the custody of the property pending the sale or the reimbursement of CCC for such expenditures as it may have made or incurred in connection therewith;
 - (c) the secured indebtedness of the Borrower as evidenced by the aforesaid note;
 - (d) other lienholders in the order of their priority;
 - (e) any other indebtedness, secured or unsecured, of the Borrower to CCC; and
 - (f) The balance, if any, to the Borrower.
7. Nothing herein contained shall be construed to release the Borrower from liability for any deficiency owing to CCC after application of the proceeds as herein provided. This agreement is a confirmation by the Borrower of the power of sale contained in the mortgage, and it is agreed that sale by the Government as provided herein is an exercise of said power of sale.
8. The word "Borrower" shall be construed to include the heirs, successors, administrators, executors, assigns, agents, and principals of the Borrower, and the term "CCC" shall be construed to include the assigns and agents of CCC.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

WITNESS	SIGNATURE OF BORROWER	DATE
<i>Sam Brown</i>	<i>Carl Thompson</i>	<i>JULY 17, 1963</i>
WITNESS	SIGNATURE OF BORROWER'S SPOUSE	DATE
<i>Sam Brown</i>	<i>Maie Thompson</i>	<i>JULY 17, 1963</i>
ADDRESS OF BORROWER		
<i>MONTICELLO</i>		
<i>WHITE COUNTY</i>		
<i>INDIANA</i>		
COMMODITY CREDIT CORPORATION		
By <i>Sam Brown</i>	<i>PO Box 167</i>	
(CHAIRMAN, ASC COUNTY COMMITTEE)	<i>MONTICELLO, IND.</i>	<i>JULY 17, 1963</i>

FORM CCC-401 (11-12-63) U. S. DEPARTMENT OF AGRICULTURE Agricultural Stabilization and Conservation Service Commodity Credit Corporation	STATE <u>32</u>	COUNTY <u>091</u>
BILL OF SALE (SALE THROUGH CCC LIQUIDATING AGENT)	SERIAL NO. <u>49</u>	

In consideration of FIVE HUNDRED FORTY AND NO/100 Distribute proceeds according to paragraph 37 E.

Dollars (§ 540.00), receipt of which is hereby acknowledged, the Commodity Credit Corporation (hereinafter called "CCC"), an agent and instrumentality of the United States of America, hereby grants, bargains, sells and delivers unto HERBERT SANDERSON, Buyer,

of MONTICELLO, County of WHITE, State of INDIANA, all the right, title, and interest of CCC, lienholder, and pursuant to authority therefore, all the right, title, and interest of CARL THOMPSON mortgagor(s), in and to the following-described property: (Give detailed description of property)

1 KANKO (KANAWHA COMPANY) MOBILE DRYER (ON WHEELS).

Description must agree with that on other loan documents.

TO HAVE AND TO HOLD unto the said Buyer, his heirs, successors, and assigns forever.

IN WITNESS WHEREOF, The United States of America has caused these presents to be signed on

the 17TH day of JULY, 1963.

COMMODITY CREDIT CORPORATION

By

Gregory Green

(CHAIRMAN, ASC COUNTY COMMITTEE)

DATE

7-17-63

ORIGINAL - Put in producer's file.
1st COPY - Deliver to the buyer.
2nd COPY - Deliver to the borrower.

REPAYMENT RECORD

ORIGINAL - Forward to producer.

1st COPY - Put in producer's file.

2nd COPY - Distribute as follows:

- 1 Cash Collection (including CCC sight draft).
Staple to first DPC copy of the Schedule of Deposit, CCC-257 (in the same order listed thereon) and forward to Federal Reserve Bank.
- 2 Collection by Deduction from 1964 and Subsequent Crop Year Loans According to Handbook 1-LP.
Staple to DPC copy of Form CCC-677 or CCC-678 and forward to the DPC.

- ① Complete all blocks indicated.
- ② Leave items 1 and 2 blank.
- ③ Check "mobile dryer equipment " and complete all blocks in item 3.
- ④ If collection was made by setoff, for which CCC sight draft was issued, explain source of funds by program and State, county, and reference number of expenditure document. If collection was made by deduction from a commodity loan disbursement, identify crop year, commodity, State, county and application number and type of loan (A or B) from which deduction is being made. Also use this space for any appropriate remarks concerning the repayment.
- ⑤ Shall be signed by county office manager or his designee.

REPAYMENT RECORD

U. S. DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service
Commodity Credit Corporation

(NAME AND ADDRESS)

John B. Smith
Route 5, Box 144
Newton, Iowa

YEAR PROD. COMMODITY

ST. & CO. CODE & LOAN NO.

1

42-050-85

This acknowledges receipt of the following amount
to be credited on your loan

\$ 141.62

UNPAID PRINCIPAL PRIOR
TO THIS REPAYMENT

\$ 456.83

1. COMMODITY LOAN REPAYMENT

A. REPAYMENT DATE	B. INTEREST PAID	C. PRINCIPAL REPAYED	D. QUAN. REDEEMED	E. WHSE. CODE NO.	F. UNPAID PRINCIPAL (excluding interest)
	\$				\$

2. COLLATERAL RELEASED (Complete only if part of loan collateral is redeemed)

SEAL NO. (S) OR WHSE. RECEIPT NO. (S)	QUAN. REDEEMED	SEAL NO. (S) OR WHSE. RECEIPT NO. (S)	QUAN. REDEEMED

3. OTHER LOAN REPAYMENT (Check one)

A. REPAYMENT DATE	B. INTEREST PAID	C. PRINCIPAL REPAYED	D. UNPAID PRINCIPAL (excluding interest)
12-14-64	FROM (DATE) 6-14-63	TO (DATE) 12-14-64	\$ 114.21
	AMOUNT \$ 27.41		\$ 342.62

4. REMARKS

Deducted from 1964 Corn Loan 42-050-01A

COMMODITY CREDIT CORPORATION

Credit for this repayment is subject to collection
of checks and verification of computations

BY: *Nancy Bray*

PRODUCER'S COPY



* NATIONAL AGRICULTURAL LIBRARY



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